

Scoring Rationale

RAP	Risk Description	Managed No Deal	Disorderly Exit
RAP 1	Directly Employed Labour & Contracted out functions (statutory & otherwise).	Some effect across all Councils, should migration policy post Brexit limit the number of EU national available due to universally reported difficulties in recruiting indigenous workers for some labour intensive skill sets and sectors such as waste collection & grounds/parks maintenance. This is likely to vary from council to council, depending on the number of EU nationals employed, but overall the risk to service delivery is probably low as UK planning assumption envisage no change in status for such workers. Some wage inflation pressures likely over time in specific sectors.	Migration policy is being driven at present by the end of free movement policy announced by the Prime Minister in October 2017. A “disorderly exit ” scenario will heighten the difficulties of this approach in terms of Councils filling vacancies and the resulting upward pressure on wages. However, the work done to date individually will assist in mitigating any effect in the short term, allowing time to deal with the remaining issues. The assumption is that all EU citizens will retain existing rights and status at exit, although some may require assistance in registering under the EU settlement scheme.
RAP 2	Cross Border & EU Trade including Inward Investment.	Some friction is likely. For example, cross border trade in intermediate goods (39% of NI exports) will be heavily impacted. Some Council services such as Economic Development are likely to be on the front line in dealing with businesses. There will a cumulative effect in terms of rates and other revenue over time. Mitigation of the worst consequences, through careful planning and additional resources, for example, Economic Development, being focussed on the worst affected areas will assist. However, there is little real sign of plans with detail actions, being put in place as yet.	Approx. £3.5bn in exports to ROI per annum from NI will all be subject to EU/WTO rules post any disordered exit. Significant impact on the business and Tourism sector in short term, with obvious implications for Council revenue & business rates. Council Risk Registers’ and BCP’s should reflect this. 80% of MNC’s located in NI have at least some plans in place to relocate to ROI or elsewhere mainly because of difficulties across supply chains – many of which are integrated, highly complex and global in reach. The effects on individual Council areas will depend on their resident industries, but some effect will be felt in most.
RAP 3	Tourism.	With the effect being felt more in some Council areas than others, influences may be lessened by the implementation of detailed impetus plans targeted on the area’s most likely to be effected. There is a high proportion of foreign nationals employed in this industry many of whom are already beginning to leave as a result of Brexit and the uncertainty around it. By working collaboratively with industry to develop a pipeline of workers to infill in areas of need, Councils could assist in moderating the effects over time.	A disorderly exit would cause damage to this industry in the short term, impacting the number of tourists & jobs/investment. Plans to mitigate difficulties with air travel and border crossings will allieviate disruption in the short term, depending on the issues encountered. The likelihood of recovery over time is high, however, as a robust tourism infrastructure is in place, along with a coordinated international marketing programme that has built a high level of awareness overseas. More difficult will be the need to fill many low skill jobs/low pay.
RAP 4	General EU funding & Grant Aid.	A £3.5 billion NI - wide funding gap for local government alone, will begin to open up from the point the UK exits the UK. . There should be time to manage the issues around funding as the EU cycle runs in 7 year blocks ,with the current cycle due to be completed in 2023. However, the impact over time on areas as diverse as the charity sector, Planning, Economic Development, Arts, Grant Aid, Energy, Digital Infrastructure, Road & Agriculture will be significant, with control potentially outside the scope of the assembly. Although the UK government has pledged to guarantee funding to 2020 through the proposed UK Shared Prosperity Fund, this is likely to be structured differently to current EU funding streams with different parameters, rules & criteria. It is as yet unknown how this will affect funding applications and ongoing funding streams or what will be required from Councils in making applications Moderate to severe impacts are likely depending on how heavily each Council relies on EU funding and how the UK government seeks to fill the gaps.	Although EU funding is scheduled to continue post Brexit, to 2023, a disorderly exit may mean that the withdrawal bill of £39 Billion is withheld, provoking a backlash from the EU that may include a unilateral withdrawal of funding, potentially including specific Peace IV funding. This level of uncertainty and the inevitable gap in funding continuity is already impacting on some sectors. There are concerns around Council partnerships and the possibility of some projects having to be cancelled, postponed or being brought to an ignominious end. The diversity of demand across the UK sector means that some local government areas may struggle to attract funding, or may receive reduced levels. It is unlikely that a UK Shared Prosperity fund will be able to cope with demand in the short term, leading to significant disruption.
RAP 5	Food Processing & Agri – Business.	The impact on Council Environmental Health Services will be significant even in the event of a smoothly managed no deal exit. Servicing the needs of food manufacturers, exporters and checking imports under EU rules is beyond Council capacity at present and regulatory alignment will be an issue into the future. Issues around delays, costs and a lack of labour are all likely to have an effect on the food industry, with important secondary effects for Councils over time. A no deal will impose high level of tariffs on the food industry with a consequentially huge impact on all areas of the food processing industry, which in turn will effect council’s revenue and employment, commensurate with exposure.	The issues involved are complex and, as significant as the primary issues will be, there are likely to be secondary and tertiary implications that are not yet fully evident. For example, direct payments to farmers are to be realigned by UK government and this is likely to affect how food is produced and processed in the medium to longer term, affecting the industry in unknown ways. There will need to be high levels of realignment and investment across industry and within Councils to meet the new realities. Concerns over the long term sustainability of some sectors are growing as support structures change or are withdrawn. The impact of a “disorderly exit ” will be significant in this sector and lasting.

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RAP 6	Environmental Health (Other Services) Implications.	<p>Almost all aspects of the work undertaken by EH will be impacted by Brexit. Legislation will allow for EU laws to continue to have effect after the withdrawal, however an end to the free movement of goods & services post Brexit under any scenario, will require substantial additional resources in Food Control, Product Safety & Certification areas. This is a concern as it will be difficult to provide a fully functioning service at exit without such resources and these will be difficult to obtain. Health and Safety regulations and laws will remain aligned with the EU in the short term, although they are likely to become more difficult to maintain over time, leading to additional difficulties.</p>	<p>Around 70% of the technical notices produced by the UK government to date that deal with UK withdrawal are concerned with food, health & safety, tobacco control, environmental protection, and product safety, an indication of the importance of the sector and the level and degree of change and realignment required.</p> <p>A sudden, unplanned departure will cause significant disruption in the short to medium term, particularly in environmental protection and enforcement activities. Mitigation efforts will be limited to concentrating on high value/high risk areas, leaving considerable scope for opportunistic criminality.</p>
RAP 7	Consumer Protection/Production & Cross Border Enforcement.	<p>It is unlikely that there will be an immediate effect, although Council EH departments will have to plan for divergence over the medium to longer term. Economic Development may also need to invest in new export and import skillsets to meet the demands of a new regulatory environment.</p> <p>Councils are likely to notice some effect in terms of enforcement, although it is difficult to be clear as to what form this will take and the potential severity. Some impact on consumer/business protection as redress will no longer be possible via the UK judicial system in most cases. Dispute resolution and insolvency arrangements will become more complex leading to delays, extra costs & uncertainty. Cross border enforcement will have to be worked out at a national level in the first instance. This will take some time and may mean that gaps in the enforcement regime appear to cause political & operational difficulties.</p>	<p>In addition to the difficulties already identified there are likely to be impacts that are unforeseen at present in terms of Health & Safety, Control of Hazardous Substances, medicines, chemicals and major accident hazards. However, it is generally accepted that the risks around consumer protection are likely to be more concerning in the medium to longer term.</p> <p>An exception to this may be enforcement activities, particularly those with a cross border dimension.</p> <p>It is thought that Health and Safety laws will be an early candidate for action post Brexit, particularly those areas where the UK was previously challenged by the EU. The Working Time Directive is but one example of many.</p>
RAP 8	Waste Management.	<p>As the UK is a signatory of the Basel convention, even a no deal scenario will have limited immediate effect on the management of waste in the UK, NI and the connections with ROI.</p> <p>Practical legal difficulties will occur in relation to the move to third country status.</p> <p>Some issues are expected around waste criminality and future waste policy and governance have yet to be explored in any depth. One of the main issues for Council could potentially be rises in the costs of collecting and dealing with waste across the short, medium and longer terms. Issues will also arise in relation to NILAS targets and dealing with the landfilling of waste destined for recycling should export markets be cut off.</p>	<p>Most of the issues around the management of waste have been explored over the past year, with additional landfill capacity identified as a backstop in case of need. Whilst this will relieve pressure in the short run, it may add significant costs to Council operating budgets over time. The impact on consumers likely to be rises in rates bills in the medium term.</p> <p>Operationally, issues are expected, in border areas, but costs will continue to rise over time should a free flow of waste exports & imports prove difficult and it will prove difficult to keep cost controls in place.</p> <p>There is capacity for unforeseen issues, particularly waste crime and legal/customs issues, to cause some difficulties in the medium term.</p>
RAP 9	Local Planning Functions/Community Planning.	<p>Brexit will impact on current local government plans to progress social, economic and environment wellbeing through the planning function, with a need to revise a shared set of social, economic, environmental and infrastructure priorities and policies being probable, if a Province wide deficit is to be avoided. There are potential budget implications for new infrastructure schemes and projects across local government in areas such as affordable housing and infrastructure projects. The uncertainty evident in long range planning and the possibility of a sustained economic downturn combine to potentially reduce planning activity and revenue generation in the short to medium run, generating a need to revise council plans to take account of consequential impacts and opportunities particularly around community planning and local area planning.</p>	<p>A significant downturn in income from planning applications as a result of a disorderly exit of the EU, especially in the commercial sector is likely, resulting in sustained and serious budgetary pressures if current projections are to be maintained. Areas such as Community Planning and Local Area Planning/Spatial Planning may need to be revisited to revise and update their plans into the future as well as many of their planning assumptions. Additional difficulties, such as cross border collaboration and the recognition of standards across jurisdictions among others, are likely to come to the fore in the short run.</p>

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RAP 10	Council Owned Harbours & Ports.	<p>Some impact on Council Harbour and Marina infrastructure & possible impacts on tourism through restrictions on cruise ships and liners, such as additional security & passport checks at landing sites.</p> <p>Similar impact on the leisure vessel market where EU/ROI vessels are visiting NI ports/ Harbour/marinas. For example, vessels from ROI will require certification to work in NI.</p> <p>The common travel area will still exist post Brexit but aspects of the workings of this remain unclear.</p> <p>Some impact on council working & commercial vessels. The UK will continue to recognise all EU & EEA after exit and will seek country recognition of UK certificates by the EU under the STCW convention. This could take some time, however.</p>	<p>The primary impact on councils will be restricted to those with coastal areas, with effects reducing in areas away from the border. The two NI cross border ferries will face some disruption should the need for customs and passport control be introduced.</p> <p>Some council owned vessels will have to work within new arrangements and there may be some disruption as a result. A number of technical issues that will have some impact in coastal areas, particularly where these relate to the border. There will be some friction in terms of passport control and visas, and it is probable that vessel certification will take time to be worked out, as this has to be done on an individual country level.</p>
RAP 11	Procurement.	<p>Although it is probable that issues will arise in the short term, Councils are likely to be the beneficiaries of national and regional negotiations. As there is a high level of alignment at present and a desire to continue to procure on an EU wide basis, the worst effects for Council's across this sector will be a degree of delay. Disputes with EU based suppliers will be more difficult and costly to manage, as proceedings may have to be lodged and take place in the firm's country of origin.</p> <p>Practical legal difficulties will occur in relation to the move to third country status.</p> <p>Some divergence from EU rules is likely over time as Westminster has targeted this area for change and may legislate within the lifetime of a parliament. Divergence from EU laws/rules is therefore likely in the short term.</p>	<p>The Great Repeal Bill will ensure that UK laws continue to be aligned into the near future, even if there is a disorderly exit scenario. Some issues are likely as a result of importing EU laws and directives into UK law, however practical legal difficulties will occur in relation to the move to third country status and these could take time to work through.</p> <p>Complexities, particularly legal in nature, are likely to arise immediately and delays in proceedings are almost inevitable. This will lead to issues with efficiency, productivity and rises in costs – all of which will affect Councils over time.</p>
RAP 12	Insurance.	<p>Once Brexit takes place the UK will be outside the EU's framework for financial services regulation. There will be a degree of administrative and management level difficulties where Councils have insurance arrangements across EU borders. As this is well understood within councils and the industry, all necessary arrangements are expected to be in place in advance of need.</p>	<p>Arrangements are largely worked out for short term access to the insurance market in the UK and where individual insurers withdraw from the UK market as a result of Brexit.</p> <p>However, some issues may remain where insurance arrangements remain with suppliers based in other states as the laws of the relevant state, as set out in any insurance agreement, will determine how disputes etc. are dealt with. It is not thought that this will cause immediate issues, but this could escalate over the short run.</p>
Rap 13	Data Management & Sharing.	<p>In the short, to medium term, it is thought that the impact of Brexit will be minimal, with the UK and the EU remaining highly aligned at least in the short term. However practical legal difficulties will occur in relation to the move to third country status.</p> <p>This is an areas Parliament is thought to be keen to simplify and may legislate for within the lifetime of a parliament. Divergence from EU laws/rules is therefore possible in the short term.</p> <p>Complexities are likely to creep in over time, as UK law diverges or is changed to suit UK needs and the need to maintain separate systems for those dealing with the EU will add complexity and cost.</p>	<p>As the legislation is in place and working, there are unlikely to be many issues with data alignment immediately. Issues are likely to arise with EU/UK data sharing agreements, but these are thought likely to be political or operational in nature, rather than legal, at least to start with. This risk may rise to amber of a two to three year period.</p>

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RAP 14	Utilities (Gas, Electric).	<p>Post Brexit, EU energy law will no longer apply, which may lead to disruptions in electricity supply, especially in a no deal scenario, despite the UK government planning assumption that there will be no disruption in supply.</p> <p>Alternative energy trading arrangements are currently being explored, & will mirror existing legislation, but additional powers may be required.</p> <p>A rise in costs is expected which will have some impact on Council budgets, and services.</p> <p>A number of energy companies may collapse.</p> <p>The expected changes in the regulatory regime may take time to work out, which may lead to prolonged uncertainty, higher costs and a sustained impact on services. As of September, the UK government had yet to discuss electricity supply with operators, leading to additional concerns.</p> <p>Interruption of supply may lead to difficulties with staff attending work, as well as exacerbating operational and other communication networks difficulties. The consequential knock on effect on public confidence in service providers may take time to overcome.</p>	<p>A deal with the EU is described as “essential” to the market’s future. Work underway at present prioritises the need for agreement in this area.</p> <p>There are significant price and security of supply risks for Northern Ireland including:-</p> <ul style="list-style-type: none"> • The potential for an interruption of supply, • Up to 34 per cent increase in electricity bills, and; • There may be a need for “heavy government intervention”. <p>Northern Ireland would be unable to draw power supplies from its sole electricity link to Britain, the Moyle interconnector to Scotland, for some time after the withdrawal and while new cross-border arrangements were drawn up.</p> <p>Other reciprocal and legal arrangements also require to be worked out and operationally embedded.</p> <p>A disorderly exit will not allow for all necessary work to be carried out in time, unless a delay to the Article 50 withdrawal is agreed.</p>
RAP 15	Emergency Planning/ Civil Contingencies.	<p>Central government planning, in conjunction with NIO and PSNI, appears well advanced, however, limited engagement up to now has resulted in the role of local government not being fully developed. This could be problematic as unrealistic assumptions may go unchallenged. It may be too late to agree a common way forward, which leads to concerns around implementation and the impact on Councils on a number of levels.</p> <p>The PSNI are planning to set up a Strategic Coordination Centre 6 weeks before and 24 weeks after the 29th March which will be staffed 24/7. The expectation appears to be that local councils will be part of this response and will be the coordinating body in the event of non-life threatening emergencies.</p>	<p>Local impact is now being explored via a co - ordinated approach across NICS/PSNI/LG. Work is now underway to understand more fully the impact on Councils the agreed planning assumptions may have as we approach the exit date.</p> <p>Although the common travel area will continue to operate, potential issues around the freedom of movement are causing concern and the risk of civil disturbances in some area is noted.</p> <p>The lack of an assembly will be a significant issue, particularly given the ambiguity around the powers civil servants may or may not have to act, although it is recognised that this has been clarified to a degree as a result of recent legal judgements.</p>
RAP 16	Fleet, Fuel, Oil & Lubricants	<p>Brexit, in isolation, is unlikely to have a material effect on the regulation of the UK’s oil and gas industry, as the UK Government has always retained control over its energy policy, including the development of oil and gas reserves. However, other significant changes have been triggered by the referendum and these may have a major impact on the UK’s oil and gas and broader energy industry.</p> <p>The price of new and used fleet vehicles is expected to rise post-Brexit. A number of factors are responsible for this, including fluctuations in the value of the pound, but it’s the estimated £4.5bn increase in costs for the industry as a result of Brexit that’s likely to be a driving force behind consumer price rises. An increase of about £1,700 on the cost of foreign-built vans and up to £20,000 for similar RCV’s is expected.</p> <p>The cost of fuel at the pump is expected to rise as Brexit kicks in. How much will depend on currency fluctuations and – more importantly – the global factors that affect the price of oil anyway, but the combination of rising crude prices and a devalued pound would be painful at the forecourt.</p> <p>A “worst case scenario” of a litre of fuel costing an extra 18.7p, has been suggested by the AA.</p>	<p>The inevitable drop in the value of sterling arising from a disorderly exit will help to raise fuel costs, as well as having an effect on home heating, the cost of food and consumer goods. Although this will be ameliorated in the medium term, it will take some time for the effects of an exit of this sort to be neutralised. Volatility in the global price of oil and gas may assist in reducing the effects, but the UK will be much less able to absorb and deal with cost fluctuations, making accurate planning for and the predicting of fuel costs over an annual estimates round, very difficult.</p> <p>Europe manages its fuel inventories as a bloc, so part of the U.K.’s emergency stocks can be held in other member states.</p> <p>In the event of an unmanaged withdrawal, the UK would almost certainly have to switch to a program coordinated by the International Energy Agency in Paris, involving countries as far away as Japan, Australia and the U.S. Any potential shortfalls, while unlikely to pose a long-term threat to Britain’s energy security, nonetheless highlight the myriad logistical challenges the country faces as it prepares to leave the EU.</p>

Risk Categories

Compliance & Regulation
Operational / Service Delivery
Financial
Reputation
Strategic Transformational Change
Development & Regeneration
People & Culture

Status

Newly Assigned
Not Started
Ongoing
Complete

Immediate / Within 1 |
3 Months
6 Months

Opportunity / Threat

Opportunity
Threat

Corporate Themes

Theme 1
Theme 2
Theme 3
Theme 4
Theme 5

Response Category

Tolerate
Treat
Transfer
Terminate
Take the Opportunity

Month